

**Factors influencing the choice of organized retail outlets and the behavior of the consumers in coimbatore city**

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**ABSTRACT:** —Factors influencing the choice of organized retail outlets and the behavior of the consumers in Coimbatore city of Tamil Nadu reveals the factors which influence the consumers to change their preference towards organized retailing. The objective of the study is formulated to analyse the most prioritized attributes of organized formats which attracts the consumers towards organized retailers in Coimbatore City. The Stratified random sampling (Two stage sampling) was adapted in the study and the primary data is collected through survey. Percentage analysis, Weighted Average method and ANOVA are used to interpret the findings. It is found that the customers prefer organized retailers to unorganized retailers because of the store attributes such as quality, Convenience, Variety, Consistency, Price, Hygiene etc offered by the former. Income of the customers had a major influence on their choice of organized retail outlet especially when it comes to the availability of different varieties of products and display of information in the store.

**Keywords:** Organized retail; Store Attributes; Store Image; Prioritized Attributes.

**INTRODUCTION**

Retailing by its very nature, is a dynamic industry. Over the years, the increasing literacy in our country and the exposure to developed nations by way of the overseas work experiences, the consumer awareness has increased on the quality and the price of the products/services that is expected. Today more and more consumers are vocal on the quality of the products/services that they expect from the market. This awareness has made the consumer seek more and more reliable sources for purchases and hence the logical shift to purchases from the organized retail chains that has a corporate background and where the accountability is more pronounced. The consumer also seeks to purchase from a place where his/her feedback is more valued.

The retail environment today is changing more rapidly than before. It is characterized by intensifying competition and more sophisticated and demanding customers who have greater expectations related to their consumption and shopping experiences. The physical environments of retail stores and the attributes of the stores create a tangible representation or image of a store. The attractive physical dimensions of the stores such as lighting, air- conditioning, washrooms, store layout, aisle placement etc., contributes to the store's personality which ultimately draws the maximum number of customers in the current retail scenario.

**1. REVIEW OF LITERATURE**

Hemraj Verma and Pankaj Madan<sup>2</sup> (2011) in their study on the || Factors Analysing The Store Attributes To Identify Key Components Of Store Image (A Study On Some Selected Apparel Stores In India)|| have attempted to find out the key factors that are perceived as important to Indian consumer. As the Indian retail environment is going through a sea change due to the introduction of new formats and opening up of retail industry, the investigators found the imperative to analyse the importance of different store image perception attributes in the India Context. The five factors extracted through Factor analysis are Store's Product and Operational Quality, Store's Overall Visual Appeal, Customer Convenience, Perceived Price and Past Satisfaction and Store's Promotional Effectiveness.

Mathew Joseph and Manisha Gupta<sup>4</sup> (2008) in their study on -Impact of organized retailing on unorganized sector|| said that the Indian retail sector is booming and modernizing rapidly in line with India's economic growth. This study, the second undertaken by ICRIER on the retail industry, attempts to rigorously analyse the impact of organized retailing on different segments of the economy. With the increase in number of formats for shopping like malls, departmental stores, hypermarkets etc the Indian consumer's preferences are changing towards organized retailing. One of the surprising findings of the study is that low-income consumers save more than others through shopping at organized retail outlets.

Arpita Khare<sup>1</sup> (2011) in his study on -Mall shopping behaviour of Indian small town consumers -has carried out a research in small cities to understand the mall shopping behavior of the people and specifically focused on exploring the

differences across age and gender groups with regard to the familiarity with the concept of malls and their exposure to the organized retail. ANOVA test was used for the analyses. The results showed that consumers' gender and age play an important role in determining their attitude towards shopping in malls.

S. Ramesh Kumar<sup>6</sup>, et.al, (2011) in their study on -Exploring Consumer Retail Shopping Experience ,explored the consumer retail shopping experience in modern retail formats. He also examined the factors that affect the consumer's shopping experience in the Indian cultural milieu. The author felt a need for studying motivations and behaviour with respect to actual retail store attributes as there were significant literature on consumer motivations, expectations and shopping orientations in the Indian context. The article provided an insight about various factors influencing consumers in the modern retail context and the preference order for the same.

Though there are a number of studies done to measure the influence of store attributes on customer satisfaction and store patronage behaviour, this study is an attempt to study the behavior of the consumer towards organized retail store attributes.

## 2. METHODOLOGY

The objective of the study is formulated to analyse the most prioritized attributes of organized formats which attracts the consumers towards organized retailers in Coimbatore City. The Stratified random sampling (Two stage sampling) was adapted in the study and the primary data from 150 customers was collected through survey. Percentage analysis, Weighted Average method and ANOVA are used to interpret the findings. A hypothesis was set to find out the difference in the opinion of the customers on the organized retail store attributes under different income levels.

## 3. RESULTS AND DISCUSSIONS

### 3.1 Age of the respondents

**Table 1. Age of the respondents**

AGE	NO. OF RESPONDENTS	PERCENTAGE
Less than 20	35	23
21-30	70	47
31-40	29	19
41 and Above	16	11
Total	150	100

The above table shows that 23 percentage of the respondents are less than 20 years of age, 47 of the respondents belong to the age category between 20 to 30 years and 19 percentage of the respondents are between the age group of 31 to 40 years and 11 percentage are above 40 years. It is clear that the maximum numbers of respondents are of young age.

### 3.2 Gender of the respondents

The table 2 indicates that 46 percentage of the respondents are male and 54 percentage of the respondents to the organized formats are female. It means that maximum numbers of respondents are female who visit the store.

**Table 2. Gender of the respondents**

GENDER	NO. OF RESPONDENTS	PERCENTAGE
Male	69	46
Female	81	54
Total	150	100

### 3.4 Educational qualification of the respondents

**Table 3. Educational qualification of the respondents**

QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
SSLC	26	17
H. Sc.	20	13
U.G.	74	50
P.G.	30	20
Total	150	100

The above table states that 17percentage of the respondents have completed SSLC and 13percentage of the respondents have done their higher secondary, 50 percentage of the respondents have done their Under Graduation and 20 percentage of the respondents are Post Graduates. It means that maximum numbers of customers are Under Graduates. It indirectly shows that maximum numbers of respondents to organized formats are well educated.

### 3.5 Income of the respondents

**Table 4. Income of the respondents per month**

INCOME IN RS	NO. OF RESPONDENTS	PERCENTAGE
Below 25000	34	29
25001-50000	38	32
50001-75000	31	27
Above 75000	14	12
Total	117	100

The table 4 shows that 29 percentage of the respondents are earning an income below Rs.25000, 32percentage of the respondents earn Rs. 36000 to 60000, 27 percentage of the respondents earn Rs.61000 to 100000 and 12 percentage of the respondents earn above 1Lakh. It can be inferred that maximum numbers of respondents who visit organized retail outlets belong to the income category of Rs.25001 to 50000.

### 3.6 Marital status of the respondents

The table 5 indicates that 73 percentage of the respondents are unmarried and 27 percentage of the respondents are married. This is relatively equal and it means both the category of people are equally visiting the organized formats.

**Table 5. Marital status of respondents**

MARITAL STATUS	NO. OF RESPONDENTS	PERCENTAGE
Unmarried	73	49
Married	27	18
Total	150	100

### 3.7 Factors influencing buying decisions in organized retail stores

**Table 6. Factors influencing buying decisions in organized retail stores**

FACTORS	NO. OF RESPONDENTS	PERCENTAGE
Availability of range of products	33	22
Reasonable price	34	22.7
Displays and signage	11	7.3
Personal service	10	6.7
Lighting in the store	21	14
Food court	26	17.3
Parking space	15	10
Total	150	100

The table 6 shows that 22 percentage of the respondents opined availability of range, 23 percentage of the respondents opined reasonable price, 7 percentage of the respondents opined availability of required size, 14 percentage of the respondents opined customer service, 6.7 percentage of the respondents opined that it is the lighting of the store, 17.3 percentage feels that it is the availability of food court and remaining 10 % feel that it is the availability of the parking facilities which attract s them to the organized retailer. It indicates that reasonable price gets highest priority next to the availability of range (variety) of products in the organized shop.

### 3.8 Rank assigned to attributes of organized formats

**Table 7. Attributes of organized formats**

S. NO.	PREFERENCE	WEIGHTED AVERAGE	RANK
1	Quality	4.51	I
2	Choice/Variety	4.27	II
3	Display of Information	3.86	III
4	Convenience	3.83	IV
5	Service	3.72	VI
6	Price	3.36	VII
7	Hygiene	3.76	V

From the above table, we can infer that quality is ranked first based on the weighted average obtained, Choice/Variety is ranked second , Display of information is ranked third, convenience is ranked fourth, hygiene is ranked fifth, service is ranked sixth, and price is ranked seventh by the customers of organized retailers. It is evident that quality and Variety are given much importance while making the purchase decision in organized retail outlets.

### 3.9 Extent of variation in the opinion about attributes of organized retail formats based on the income level of the customers

Ho: There is no significant difference between income of the customers and their perception on attributes of organized stores.

H1: There is significant difference between income of the customers and their perception on attributes of organized stores.

Table 8. ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
Quality	Between Groups	1.165	3	.388	.882	.452
	Within Groups	64.308	146	.440		
	Total	65.473	149			
Choice/ Variety	Between Groups	8.215	3	2.738	2.752	.045*
	Within Groups	145.259	146	.995		
	Total	153.473	149			
Display of Informa tion	Between Groups	10.108	3	3.369	4.638	.004*
	Within Groups	106.052	146	.726		
	Total	116.160	149			
Conven ience	Between Groups	1.269	3	.423	.406	.749
	Within Groups	152.204	146	1.042		
	Total	153.473	149			
Service	Between Groups	8.037	3	2.679	1.828	.145
	Within Groups	213.963	146	1.465		
	Total	222.000	149			
Price	Between Groups	2.895	3	.965	.736	.532
	Within Groups	191.299	146	1.310		
	Total	194.193	149			
Hygien e	Between Groups	.113	3	.038	.029	.993
	Within Groups	190.260	146	1.303		
	Total	190.373	149			
*Significant at 5% Level						

Table 8 shows the difference of opinion on the attributes of organized retailers based on the income level of the customers. Since the sig value is less than 0.05 for the variables display of information and the available choice/variety, we reject  $H_0$  and accept  $H_1$ . We may conclude that the customers under different income categories and their opinion on the display of information and the available choice/variety, in the organized retail outlets differs significantly. With regard to the other attributes of the store considered for the study such as quality, convenience, service, price and hygiene, the sig values are higher than 0.05 the  $H_0$  is accepted. It shows that the customers from different income categories do not differ in their opinion on the preferences of the attributes other than display and the variety of products offered in the organized retail outlets where they purchase.

#### 4. CONCLUSION

The customers in Coimbatore prefer organized retailers to unorganized retailers because of the store attributes such as quality, Convenience, Variety, Consistency, Price, Hygiene etc offered by the former. Reasonable price gets highest priority next to the availability of range (variety) of products among the features of the organized retail shop, while the customer purchase from organized retail outlets. Based on the weighted average of the ranks assigned to the attributes of the store by the customers, quality is ranked as the most (first) preferred attribute. Income of the customers had a major influence on their choice of organized retail outlet especially when it comes to the availability of different varieties of products and display of information in the organized store.

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